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SUBJECT: SLOVENIA APPROVES TRADE WITH GMOs; COM MEETS NEW
SLOVENIAN AGRICULTURAL MINISTER MARIJA LUKACIC

1. Summary: In a February 10 courtesy call by COM, new Minister of Agriculture, Forestry, and Food, Marija Lukacic, highlighted Slovenia's goals of promoting rural development and adopting legislation to improve the competitiveness of Slovene farmers. This would be accomplished by increasing the size of individual farms through a land purchase program based on the French model. The Minister described Slovenia's goals for developing organic farming and increasing the area dedicated to this from 5% to 15% of farmland over the next 10 years. Lukacic noted that Slovenia's position on biotech complies with the EU position, and Slovenia would not pose any additional restrictions on the trade of GMO products. Production of GMO crops is permitted, however none are currently under cultivation. They will not be permitted in specific areas, especially the alpine region of the northwestern Slovenia, which she hopes will become the organic farming center of the country. At the end of the meeting, which was in general very positive and open, Lukacic expressed a strong interest in learning more about USG organic farming methods, especially in marketing of organic produce. She was open to an exchange of information on biotech issues. End Summary.

Ministry's Main Priorities

2. The Ambassador was accompanied by Agriculture Counselor Quintin Gray (based in Vienna), Pol/Econ Chief Econ/Comm Specialist, and the FSN Agriculture Specialist based at Embassy Zagreb. Lukacic, was joined by State Secretary France But (a former Minister of Agriculture),

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and Head of the Department of International Affairs,
Marko Verbic.

3. The Minister described her primary goal as rural development through increasing the competitiveness of Slovene farmers and stemming the exodus from the countryside. To achieve this, Lukacic seeks significant legislative changes to encourage a consolidation of individual farms. Currently, there are approximately 77,000 farms with an average size of less than 5 hectares. Though many very small farms will be bought out, the intention is to keep the small farm alive, but at a more viable size, and to maintain the current total area of Slovenia under cultivation. According to Ministry statistics, approximately 7-8 farms go bankrupt each day. These farmlands, if not sold, tend to revert to forest. With 60 percent of Slovenia already covered by forests (the largest percentage in Europe), maintaining the land for cultivation is seen as a high priority.

Rural Development

4. In its endeavor to keep the countryside alive, the Ministry is following the French model of using a central farmland fund to purchase any farmland available and then sell or lease it to more prosperous farmers under favorable terms. This fund now owns about one quarter of Slovenia's farmland. The fund requires substantial changes in its legal framework, however, in order to streamline and facilitate the process of trading farmland. Lukacic ultimately wants to privatize the fund.

5. Lukacic has a complementary goal to use agriculture as the basis for other activities in the countryside, including tourism and organic farming. According to State Secretary But, Slovenia will follow the initiatives of

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neighboring Austria and Italy, with the ultimate goal of creating a trans-border region free of conventional and

biotech farming methods. The area targeted is the alpine region of northwestern Slovenia, which borders Italy and Austria. The acreage devoted to organic farming in this region currently represents 5% of all cultivated land in Slovenia. The Ministry's goal is to raise this to 15% over the next 10 years.

BIOTECH

16. In the alpine regions where organic farming is

encouraged, the government prohibits the use of GMO/biotech seeds. However, in the lowland farming areas of eastern Slovenia, where primarily wheat and grains are cultivated, But acknowledged the need to integrate GMO technology. He stressed the Ministry's appreciation of the importance of GMO technology to large, commercial farmers. His view was that GMO technology is inevitable, especially in light of harsh weather conditions. He said Slovenia would follow EU directives on GMO. Lukacic also clarified that Slovenia is GMO friendly "as much as we have to be," and would not place extra restrictions on the import of GMO products.

17. In concluding the meeting, COM and AgCounselor Gray offered to exchange U.S. know-how in organic farming as well as in biotech. Lukacic and But expressed great interest in these fields. But was especially interested in learning more about the marketing of organic produce.

COMMENT

18. The overall atmosphere of the meeting was positive and open as were the dynamics between the Minister and her advisers. Slovenia's accession to the EU brought many changes to Slovene farmers. They now face fierce competition, and markets for fresh produce and other types of food have become more fluid. Farmers' subsidies still represent a heavy burden to the GOS budget, and numerous farm bankruptcies reflect a serious social problem in rural areas of the country. The Minister's plan is targeted primarily at those critical areas and, since it is based on an already existing model (France), the hope is that it has a greater chance for success.

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